



W I D E A N G L E V I S I O N



Beat your competition

by focusing on fringe competitors,

lost customers, and rogue employees

W A Y N E B U R K A N



WIDE-ANGLE VISION

**Beat your competition
by focusing on fringe competitors,
lost customers, and rogue employees**

WAYNE C. BURKAN

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*To Martha, who every day helps me to strive to
my potential, and to my children, Sharon and
Jonathan, whose exciting lives are all potential.*

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Foreword

I have known Wayne Burkan for almost ten years. We met on the West Coast when I was doing a speech for a meeting he had organized. The next time we got together, he made me a proposition: If I ever needed help in my business, he would be very interested in supplying it.

By that time my consulting work had grown so fast that I spent more time turning down requests than accepting them, so I took Wayne seriously. I gave him a list of two dozen books and told him to call me when he had finished them. Two months later, he called.

Since that time Wayne has become a colleague, a friend, and an intellectual companion. He and I have talked many hours about the many implications of Thomas Kuhn's concept of the paradigm shift. Kuhn brought the idea to science. I brought the idea to the business company.

Now it is Wayne's turn to bring something to the party. This book, *Wide-Angle Vision*, does that. He has taken the concept of the outsider and focused intensely on all that means for finding the future. What I like best about the book is the large number of examples from which you, the reader, can draw your own conclusions. Again and again, I find myself nodding my head as I read Wayne's work. This is useful. This is significant. From Wayne's recommendations you can take action to improve your future.

In particular, I think Wayne has homed in on an underutilized resource that is available to all of us. But he is right. We

ignore those at the margin rather than look at them as bringing unusual and oftentimes powerful new perceptions of our world as it unfolds in theirs.

Wayne has described the details of how to turn what most organizations treat as a liability into a profound and ongoing asset. That is worth a lot in these turbulent times.

I'm glad Wayne wrote this book. It adds significant value to the understanding of paradigm change and how to deal with it. I'm glad you are taking the time to read it.

Joel A. Barker
Author of *Future Edge* and
Paradigm: The Business of Discovering the Future

Acknowledgments

The success of this book is the result of many people's efforts. Any failings are my sole responsibility.

I would like to thank Joel Barker for his years of support, encouragement, and friendship. Joel is the one person to whom this book owes the single most important intellectual debt. He never once complained when our work together forced him to miss a day of golf and, more amazing still, never complained when he was forced to play a round of golf with me. It may not have always been easy, but I'd like to think it was always fun.

My brother Barry was invaluable in his editorial input on this book. Under incredible pressure he helped transform my rantings into comprehensible form and pushed me to dig deeper for what he suspected was there all along.

Finally, I would like to thank Ruth Mills, my editor at John Wiley & Sons, for her faith, understanding, and support.

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1

Diamonds Beneath Your Feet

A powerful force is looming before you. This force has built entire industries and then torn them down again. Companies such as Schwinn and Hayes Microcomputer Products have fallen prey to its influence. It has hobbled such giants as IBM and Boeing. It has helped spawn an international monetary crisis and is the primary reason that companies' most promising business plans go awry. This force is called the *edge*.

Enormous sums of money are invested in a laudable attempt to reduce cycle time, improve quality, reengineer, streamline production, and optimize services. Like sand running through a sieve, much of this money and energy is simply wasted, showing few tangible results. This waste is due to companies' inability to develop wide-angle vision and tap into one of their most valuable resources: the power of the *edge*.

For more than a decade I have worked with more than 1,000 organizations frustrated by their inability to change. Most of these firms were staffed by intelligent and motivated people and were led by insightful executives determined to see that change occur. These companies were less challenged by what they failed to do than by what they failed to see. Like people who lack peripheral vision, the events that matched their line of sight were clear and well understood, while those at the margins were fuzzy if visible at all.

The cure for this blindness is found in wide-angle vision. The ideas found in this book have evolved by practicing my company's (Alternative Visions, Inc.) mission: "Helping

organizations discover today's options so they may forge a more powerful tomorrow." For example, if you are frustrated by your inability to dramatically improve customer service, this does not mean that you lack options . . . there are always options. What you may lack is the ability to see those options beyond your peripheral limitations. This dark and shadowy area that borders your visible world is what I call the *edge*.

The *edge* consists of people who are extremely dissatisfied with today's solutions. They firmly reject the popular wisdom for a very practical reason: It does not work for them. The *edge* reveals a unique perspective about our most cherished practices. Not only does it highlight the hidden challenges we face, it also shows how to deal with these challenges in a way that leaves us stronger than ever. Further, because people on the *edge* reject the status quo, they are the first to point out the most exciting opportunities for growth.

People and organizations on the *edge* of your business have enormous impact on your ability to survive. If corporate vision is centered only around a mainstream view of the world, however, the customers, employees, and competitors on the *edge* of our attention remain invisible. The solutions sought by corporations are within their reach but beyond their grasp.

In the early 1980s, people who were interested in personal computing were relegated to the "lunatic fringe." They were the impossible customers, the insignificant competitors, and the troublemaking employees. In short, they were all card-carrying members of the *edge*. Most companies, lacking wide-angle vision, had ignored this elite group and have ceased to exist altogether.

Corporate consciousness is predictably centered around the mainstream. The best customers, biggest competitors, and model employees are almost exclusively the focus of attention. This would seem to be sensible. And yet, although the mainstream has extraordinary value in meeting the challenges of today, it is terribly inadequate at addressing the challenges yet to come. Companies using the power of the *edge*, however, have an enormous advantage in establishing a secure and profitable future.

A FORCE WITHIN REACH

A South African farmer was thrilled to find out that he had just inherited a vast expanse of land. He sold his house, furniture, and a few other possessions to finance the move. With high hopes for a bright future, he and his family set off to find their fortune. When they arrived at their new home, they surveyed the landscape and saw some of the worst farmland imaginable. The soil seemed to be composed of more rocks than dirt. After years of futile efforts trying to make his "rock garden" bloom, he finally gave up and sold the farm at a huge discount. "Let someone else have this headache property," grumbled the farmer. The new owner, shortly after his purchase, picked up one of the rocks that littered the landscape and couldn't believe his eyes: diamonds! This site in Angola is now one of the most valuable diamond mines in the world.

Each day you are stepping over diamonds. Every report you read, every meeting you attend, and every team initiative you launch may be another lost opportunity. Every business has its field of diamonds. These gems come from the *edge*, composed of complaining and lost customers, troublemaking employees, and insignificant competitors. Like the original farmer, most companies either ignore them or curse them, while bemoaning the dearth of solutions to their business woes. The more turbulent our times, the more important it becomes that we expand our narrow view of the world beyond the mainstream.

Wide-angle vision is necessary during times of instability. Products, services, and business practices that once worked superbly no longer match shifting needs. Remember when the operations of every major corporation revolved around a hub of mainframe computing? Soon an increased need for speed and flexibility became glaringly apparent. The first people to recognize this need were a very small but vocal minority of disgruntled customers. They were diamonds in the rough, just waiting to be discovered. For Apple Computer, they heralded a new industry. For much of IBM, they were invisible.¹

The *edge* always looks at our business practices and products from a radically different perspective than the groups we regularly deal with. Although the majority of customers may be quite

satisfied with our service today, this stubborn 1 percent remain critical. For companies trying to reengineer themselves, that critical perspective is invaluable. The *edge* can easily see things that the mainstream cannot see at all.

A powerful benefit that comes from developing wide-angle vision is the ability to reduce the element of surprise. When the Soviet Union fell, most political analysts were stunned. With the inherent wisdom that comes from hindsight, however, pundits have pieced together the signals that should have alerted us to the inevitability of this staggering event. Ultimately, the Soviet Union was like a building with major structural flaws. A little internal stress produced a spiderweb of cracks that spread through its core. It was actually a certainty that it would come crashing down.

Understanding why the world could not see the internal stresses of the Soviet Union will help us to avoid repeating similar mistakes in our businesses and corporations. Apple Computer, IBM, People Express, Xerox, and the worldwide investment community are just a few of the groups that suffered tremendous losses because of their inability to recognize the tides of change before it was too late.

By helping you to develop your wide-angle vision, this book will dramatically improve your ability to be proactive, to see changes early and act before there is a compelling need to act. You will learn how to:

- Avoid crises.
- Solve problems that you have not been able to conquer before.
- Reduce resistance to change.
- Delight your customers.
- Change your organization faster, cheaper, and more efficiently.
- Understand how change can constructively impact your business.
- Identify and overcome your restrictive boundaries.
- Recognize the advent of change sooner than your competition.

This book contains specific recommendations that really work in the marketplace. They are based on my experiences working with hundreds of organizations, each of which was striving to achieve the benefits of wide-angle vision. Some of these companies are among the largest and most successful in the world. Others are small firms you likely have not heard of . . . yet.

INTRODUCING THE EDGE

Every organization contains both a mainstream and an *edge*. The mainstream consists of your established customers, most significant competitors, and best employees. Your barometer for success is obvious. If your established base of customers increases, you know you are making progress. Likewise, when competitors copy your moves, you must be doing something right. The mainstream reaffirms that the rules you are practicing today are *the* right rules.

The mainstream is critically important. It provides your profits, generates cash flow, and funds investment . . . *today*. No one should abandon the mainstream. It's just bad business. But to surround yourself with those in the mainstream while ignoring those on the *edge* is to bet against change. In these turbulent times, that is a sucker's bet.

FORKLIFTS FALL FLAT

Clark Equipment Company, producer of forklifts, learned the value of the *edge* the hard way. Clark had a significant presence in the worldwide market for forklifts and a North American market share of 27 percent by the end of the 1970s. Its forklifts were sophisticated (complicated) and expensive. As one manager recalled, "There were a few of us who campaigned for a more basic and higher-quality product, but customer surveys said they liked the products as they were. I was told that our customers wanted more, not less."² These few rogue employees who tried to buck the prevalent view knew that there were disgruntled customers

who were not representative of the marketing studies. These employees and customers of the *edge* were out of Clark's field of vision.

The Japanese started to make serious inroads into the North American forklift market by 1978. Their product was low-tech (simple) and inexpensive. Although they had participated in the market for years, these fringe competitors were effectively invisible to Clark. "We hardly paid attention to them," sighed Cary D. Bello, president of Clark's forklift group.³

When the Japanese actually grabbed the lion's share of the market, Clark finally began to take notice. Too little, too late. Unable to break out of its downward spiral, by 1991 Clark had reported \$30 million in operating losses. Finally, in 1992 Clark was sold to the Terex Corporation. The forklift truck division ceased to exist.

Catching the next wave can truly mean the difference between success and Chapter 11. History shows us that those who are late rarely get a second chance. Once we lose our opportunities, we do not get them back. Those of us who bask in the glow of growth and success actually are the most likely to lose our momentum. Not because we don't want to succeed, but because we lose the ability to succeed.

Now for the good news. With these challenges come incredible opportunities. If you can learn to see these changes early enough, and learn to change fast enough, you will enjoy a sustained life at the top. And you can. You are going to learn how to spot those changes before your competition does and how to actually take advantage of turbulence. The answers to many of your most difficult problems are found by learning wide-angle vision and discovering the force of the *edge*.

The *edge* is a group that is dissatisfied with today's solutions. For very good reasons, those on the *edge* see the world through different eyes. This is not because they are better or smarter or more intuitive. They just have different needs. These unique needs cause them to view the world differently than most of us.

Edge members typically are not interested in creating change or producing turbulence, and they are not trying to be radical. They are only interested in solving their own problems. What makes them useful is not that they have unique solutions but